



Investing in Utah jobs.



OUR STORY

– Growth possible through business friendly leasing policy

- **20 years in business**
- **\$30 million of private capital invested (One of the largest private capital investments at the Airport)**
- **Grown from 33 employees to approx. 300**
- **Serving the entire state of Utah**
- **TAC Air awarded #1 FBO Chain twice**

Investing in Utah Jobs
SLC FBO consistently rated top 1%

OUR SERVICES

Keystone Aviation's services are vital to the State's economic development

- General aviation fueling and ground handling
- Airline fueling and ground handling
- Cargo handling
- Aircraft storage (including corporate flight department offices)
- Aircraft maintenance (Certified FAA Repair Station and service center for most major manufacturers)
- New and used aircraft sales (Piper, Socata, and HondaJet)

HISTORY

- **FBO consolidation in Salt Lake City**
 - **Business at SLC started in 1995**
 - **3 FBOs consolidated to 2 in 2002 and 1 in 2011**
 - **Consolidation result of free market conditions**
 - **Over 90% of US airports have only one or no FBO with no violation of FAA policy (called “Grant Assurances”)**

COMPARABLE AIRPORTS WITH ONE FBO

- 30 Large Hub Airports in US
- 20 (67%) One FBO

FUEL PRICES

Jet Fuel



 Average-Like Airports

 TAC Air

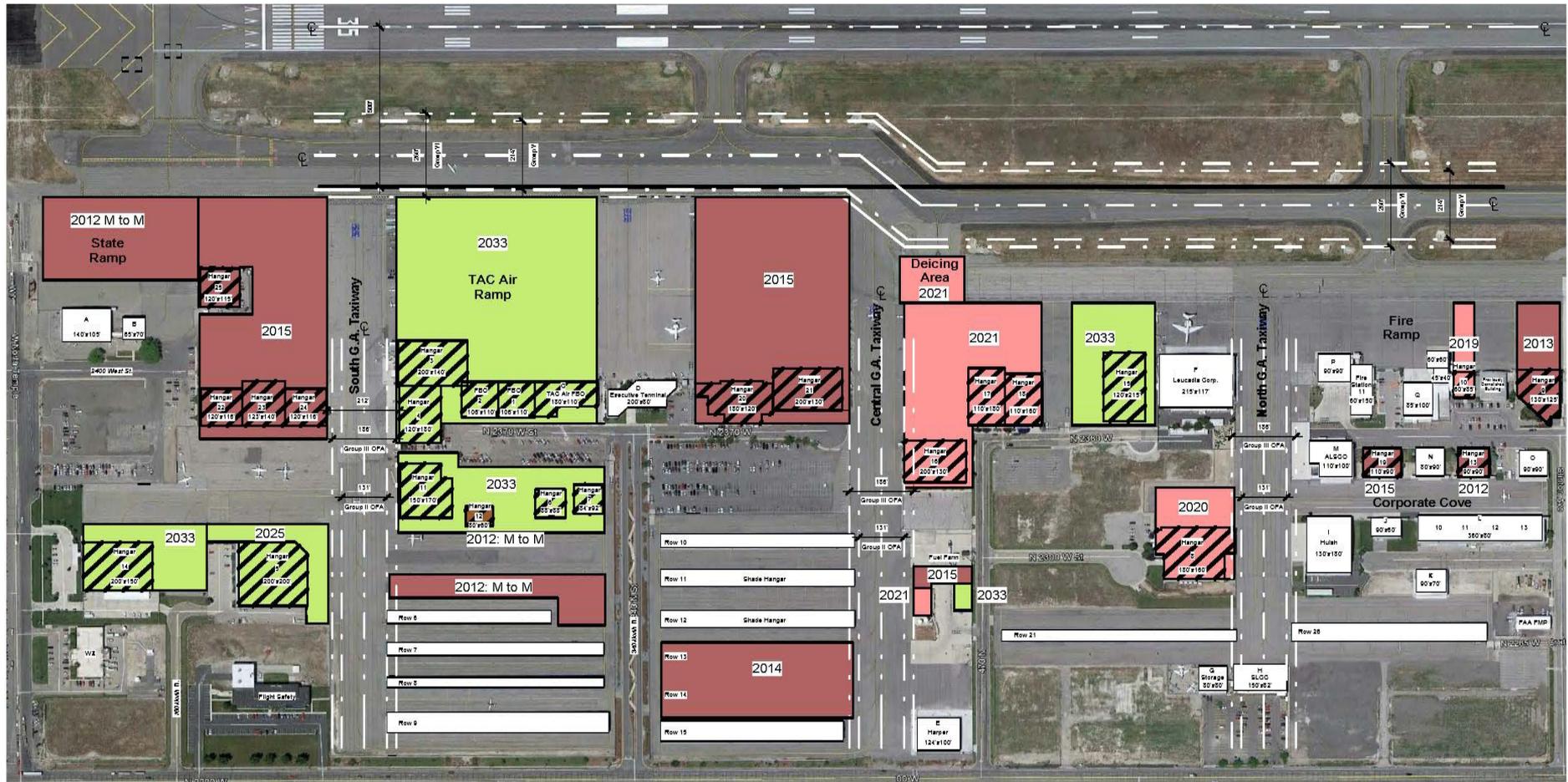
 Average-All

WHAT'S CHANGED?

- **Formerly business friendly environment has changed**
 - **Previously – Tenants in good standing could extend leases with investment or renew at market rates**
 - **Leasing policy changed with no public notice or input**
 - **Now – We are not allowed to invest and renew our leases, which does not allow for consistency, certainty, fairness or the ability to plan for the future**

- Airport plan to divide existing FBO’s leased premises into 2 FBO leased premises:**
 - Airport consultant’s report states new FBO will take portions of Keystone Aviation’s business due to hangar and space constraints**
 - Unfair competitive advantage to new FBO**
 - Airport’s consultant states GA is at capacity; supporting argument for greenfield RFP**
 - Creates congested and unsafe operations**

“Checkerboard” MASTER PLAN



North

Lease Expiration 2012-15
 Hangars = 147,766 SF
 Ramp = 794,556 SF
 Fuel Farm = 9,891 SF

Lease Expiration 2019-21
 Hangars = 96,238 SF
 Ramp = 175,402 SF
 Fuel Farm = 4,337 SF

Lease Expiration 2025/33
 Hangars = 222,936 SF
 Ramp = 543,976 SF
 Fuel Farm = 4,400 SF



Airport Owned



Lease Expires 2012-15



Lease Expires 2019/20/21



Lease Expires 2025/33



Investing in Utah Jobs.

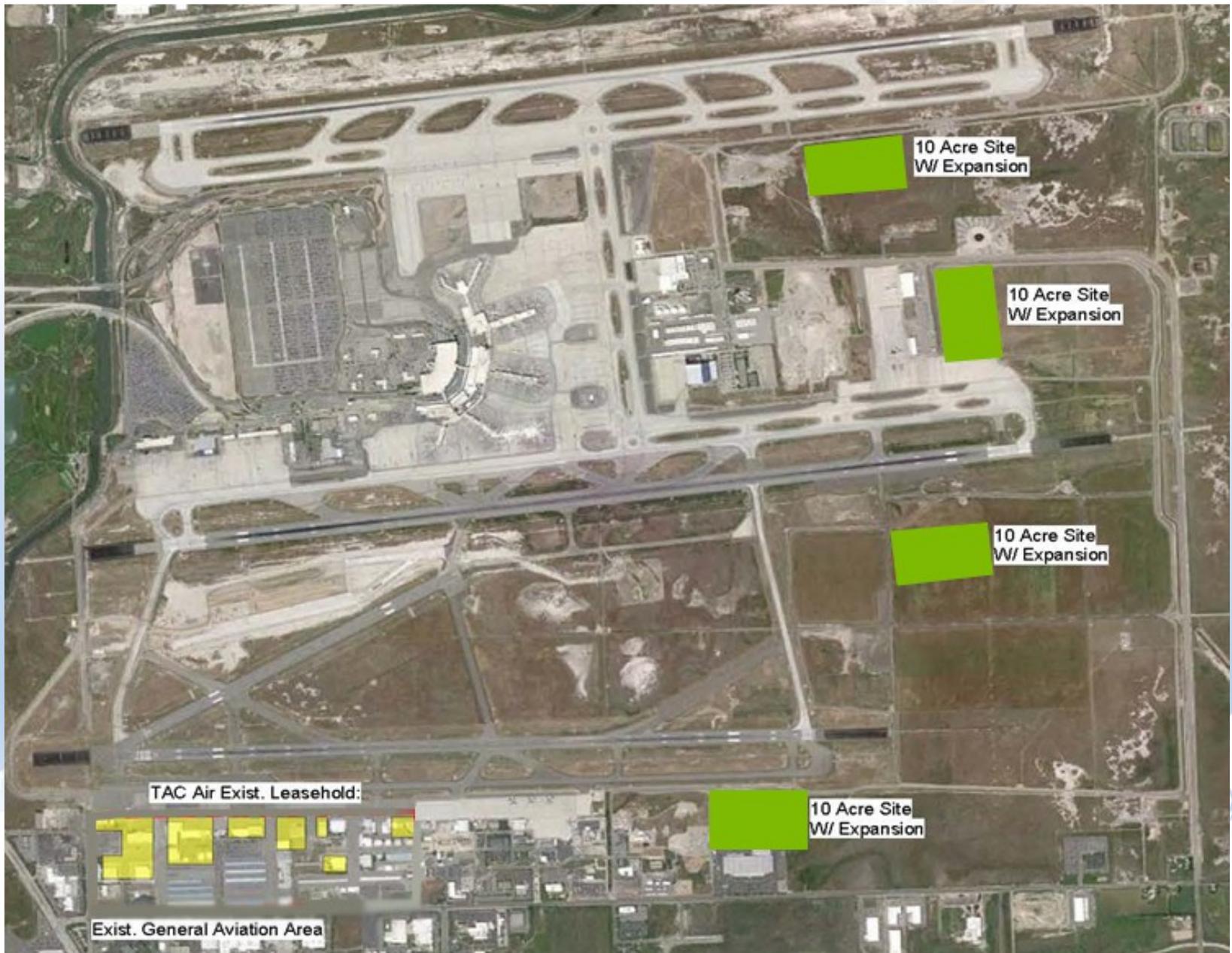


AT CAPACITY



INCOMPLETE STUDY

- **Airport consultant's report lacks analysis of:**
 - **Impact on Airport revenues, expenses and costs associated with buying out existing FBO agreements**
 - **Financial viability of second FBO**
 - **Financial (and economic) impact on existing FBO, Salt Lake City and the State**
 - **No input from stakeholders**
 - **Cost and benefit of greenfield development**



10 Acre Site
W/ Expansion

10 Acre Site
W/ Expansion

10 Acre Site
W/ Expansion

TAC Air Exist. Leasehold:

10 Acre Site
W/ Expansion

Exist. General Aviation Area

STATEMENT OF FACTS

- **Keystone Aviation is NOT opposed to competition, just the reversal of leasing policies that damaged our business, devalued our assets and constrain further capital investment**
- **Greenfield development would expand services and increase airport revenues and private investment**
- **Numerous attempts to resolve issues**
 - **Airport, Mayor, Governor, GOED and**

Legislature

ECONOMIC DEVELOPMENT

- **Result of changes in policy**
 - Tenants unable to make investment
 - Demise of businesses
 - Jeopardize HondaJet coming to Utah
 - 300 families impacted by RFP
 - Reduction in type, level and quality of GA services

ECONOMIC DEVELOPMENT

- Negative impact on business owners and executives using the airport
- Jeopardize continued capital investment from one of the largest Airport investors to date
- Stifles the growth of our business, the Airport and Utah
- All of the above raises prices to consumers which should not be the goal of the Airport

URGENT ACTIONS

Legislative help to:

- **Establish more transparent, accountable and collaborative governance structure related to GA side of Airport BEFORE further RFP issuance**
- **Reinstate prior leasing policy and practices that encourage investment, business continuation and economic growth**
- **Create a plan for more GA capacity, that would include an RFP for greenfield FBO development**



Investing in Utah jobs.

